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Sandman Inc.

September 21, 2004

Mr. John Riordan
Peoples Energy
130 East Randolph Dr.
Chicago, IL. 60601

Re: Recycling Systems Inc.
Natural Gas service to 3152 S. California Avenue

Dear Mr. Riordan,

We are writing in response to your letter of August 30, 2004 and your expressed decision to refuse to provide gas service to RSI at 3152 S. California Avenue.

We are clearly not in agreement with your statements which address having "negotiated in good faith", not being provided with "reasonable access", and your expression that RSI is "unwilling" to execute an easement agreement with Peoples.

When you use the expression "good faith" for the purpose of posturing your position you demonstrate a lack of focus on the expression and the following issues:

1. The initial request for this gas service is dated 3-16-01 which means that the issue is approximately 3.5 years old!
2. Peoples Energy was advised approximately 9-9-01 that they would have to enter into an MWRD formatted easement agreement with the MWRD, and that RSI could not legally produce or execute such an agreement with Peoples.
3. Peoples delayed entering negotiations with the MWRD first by producing an easement agreement for presentation to MWRD, and secondly by arguing that RSI must accept liability for attorney's fees for counsel representing Peoples.
4. Peoples Energy has deliberately delayed this request for service, either failed to respond to phone calls and written communications, or inordinately delayed the responses, and constantly demonstrated an attitude of arrogance and a general lack of professionalism.
5. Peoples performance over the past 3.5 years has resulted in substantial costs to RSI when in fact Peoples Energy is a utility in a state which still places emphasis on service to the customer.

OFFICIAL FILE

JOINTLY STIPULATED
EXHIBIT 000046

I.C.C. DOCKET NO. 04-614

Joint Exhibit No. 46

Witness _____

Date 6-17-05 Reporter J.Y.

You make reference to a lack of reasonable access and indicate that the MWRD has not modified its agreement to your satisfaction. The MWRD has made several modifications to the easement agreement as a resultant of discussions with counsel representing Peoples and is currently awaiting a response their last communication. When you define "reasonable access" are you assuming that a property owner should forego the right to protect its interests for the benefit of Peoples Energy? Are you suggesting that the MWRD should forego its right to request validation of adequate insurance from Peoples Energy? Are you suggesting that the MWRD is too harsh when it holds Peoples Energy liable for any environmental problems created by Peoples Energy? We suggest to you that Peoples Energy has these same responsibilities under the law in all of its business dealings and that perhaps the MWRD is more focused than the average property owner.

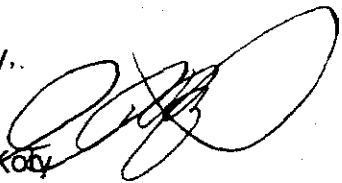
We have repeatedly informed Peoples Energy that RSI is not the property owner and is not empowered to grant an easement to Peoples Energy. We have never stated that RSI is "unwilling" but rather unable!

You make reference to easement terms which are unacceptable relative to the connection of a small gas service. This statement would have us believe that the tariff on file at the ICC allows Peoples Energy to differentiate and pick and choose its customers within its business area. We strongly suspect that the State of Illinois has a slightly different perspective and will go in the direction of the utility serving the customer.

We do not have questions regarding the ICC inquiries relating to the informal complaint which was filed, and we hereby advise you that we are filing a Formal Complaint with the ICC immediately. We will request that the commission instruct Peoples Energy to provide the gas service and award damages to RSI adequate to compensate the losses incurred as a result of the manner in which this entire fiasco was handled by Peoples Energy.

VIA Fax only

Sincerely,



John J. Koby
President, Sandman Inc.

Cc: RSI, Anita Brent (ICC), Susan Morakalis (MWRDGC), Clair Manning P.C.